

LETTER OF UNDERSTANDING #1
Article 12

The parties agree to incorporate this Letter of Understanding to express their intentions relative to the application of Article 12.

1. Arbitration Award No. 54 39 1275 84 does not express the intent of the parties and employees are not prohibited from bumping into vacancies in accordance with Article 12 in the face of Recall Lists.
2. In those departments where the parties agree in secondary negotiations to layoff units larger than a county, provisions of Article 12, Section F, relating to reassignments to adjust the work force after a layoff shall be a proper subject for secondary negotiations.

LETTER OF UNDERSTANDING #2
Article 12, Section A

Through the expiration of this Agreement, December 31, 2013, the Employer agrees not to assert or exercise its rights, if any, related to reduction of hours of full time employees under Article 12, Section a. This letter of understanding shall not be construed as an admission by the Union of any right of the Employer to reduce hours of employment nor as an admission by the Employer of the absence of any such right.

LETTER OF UNDERSTANDING #3
Article 14, Section E
Meal Periods

During negotiations in 1995, the parties discussed concerns raised by the Union regarding Article 14, Section E, Meal Periods, as it applies to the Department of Corrections employees. It is not the Employer's intent to reduce the employee's meal period. Management agrees to take into account unforeseen delays at security checkpoints in determining the amount of time necessary to provide an adequate meal break. Application of this letter shall be a proper subject for secondary negotiations.

LETTER OF UNDERSTANDING #4
Article 22
Health and Safety

The Employer and MSEA agree to reopen this Article for negotiation if MIOSHA and the Division of Occupational Health are eliminated or significantly reduced by legislative action.

LETTER OF UNDERSTANDING #5
Article 22, Section I
Contagious Diseases

During the 1995 negotiations, the parties discussed their concerns regarding Bargaining Unit members performing re-construction work in existing laboratories of the Department of Community Health where they may be exposed to unknown contaminants. Therefore, prior to re-construction work in existing laboratories being performed by Bargaining Unit members, the Union will be notified by the Department of Community Health.

LETTER OF UNDERSTANDING #6
Article 43
AIDS Rider to Health Plan

The parties agree to review in the Joint Health Care Committee the Blue Cross/Blue Shield AIDS rider which was discussed during negotiations. Upon mutual agreement it will be offered to employees with the cost of the rider to be paid by the employee.

LETTER OF UNDERSTANDING #7
Article 43, Section A

Effective October 1, 2005, a new base step will be added to each level of each pay range which shall be the current based step minus the difference between the current base step and the first step. In the event that the creation of such a new base step results in an employee employed in these Bargaining Units on January 1, 2005 being placed at a lower pay rate upon promotion that they would have received under the pay range structure in place on September 30, 2005, the Employer will utilize provisions of Civil Service Regulation 5.01 Section 3.d.a(3) to grant an additional step.

LETTER OF UNDERSTANDING #8

Implementation of the Family and Medical Leave Act

Except as otherwise provided by specific further agreement between the undersigned exclusive representative and the Office of the State Employer, the following provisions reflect the parties' agreement on implementation of the rights and obligations of employees and the Employer under the terms of the Family and Medical Leave Act ("FMLA" or "Act") as may be amended and its implementing Regulations as may be amended which took effect on April 6, 1995, for the Labor & Trades and Safety & Regulatory Bargaining Units.

When an employee takes leave which meets the criteria of FMLA leave, the employee may request to designate the leave as FMLA leave or the Employer may designate such leave as FMLA leave. This applies when the employee requests an unpaid leave or is using applicable leave credits.

1. Employee Rights. Rights provided to employees under the terms of the collective bargaining Agreement are not intended to be diminished by this Letter of Understanding. Contractually guaranteed leaves of absence shall not be reduced by virtue of implementation of the provisions of the Act.
2. Employer Rights. The rights vested in the Employer under the Act must be exercised in accordance with the Act unless modified by the provisions of the applicable collective bargaining Agreement.
3. Computation of the "twelve month period". The parties agree that an eligible employee is entitled to a total of twelve (12) work weeks of FMLA leave during the twelve (12) month period beginning on the first date the employee's parental, family care, or medical leave is taken; the next twelve (12) month period begins the first time leave is taken after completion of any twelve (12) month period.
4. Qualifying Purpose. The Act provides for leave with pay using applicable leave credits or without pay for a total of twelve (12) work weeks during a twelve (12) month period for one or more of the following reasons:
 - a. Because of the birth of a son or daughter of the employee and in order to care for such son or daughter (parental leave);
 - b. Because of the placement of a son or daughter with the employee for adoption or foster care (parental leave);
 - c. In order to care for the spouse, son, daughter, or parent of the employee, if such spouse, son, daughter or parent has a serious health condition as defined in the Act (family care leave);

- d. Because of a serious health condition, as defined in the Act, that makes the employee unable to perform the functions of the position of the employee (medical leave).
5. Information to the Employer. In accordance with the Act, the employee, or the employee's spokesperson if the employee is unable to do so personally, shall provide information for qualifying purposes to the Employer.
6. Department of Labor Final Regulations and Court Decisions. The parties recognize that the U.S. Department of Labor has issued its final regulations implementing the Act effective January 16, 2009. However, the Employer may make changes necessitated by any amendments to the Act and regulations or subsequent court decisions. The Employer shall provide timely notice to the Union and opportunity for the Union to discuss the planned changes. Such discussions shall not serve to delay implementation of any changes mandated by law.
7. Complaints. Employee complaints alleging that the Employer has violated rights conferred upon the employee by the FMLA may be taken to the Appointing Authority, its designated representative or to the U.S. Department of Labor. However, complaints involving the application or interpretation of the FMLA or its Regulations shall not be grievable under the collective bargaining Agreement.
8. Eligible Employee. For purposes of FMLA family care leave, eligible employees are those employees who have been employed by the Employer for at least twelve (12) months and have worked at least 1,250 hours in the previous twelve (12) months. An employee's eligibility for contractual leaves of absence remain unaffected by this Letter of Understanding, however, such leaves will count towards the employee's FMLA leave entitlement after the employee has been employed by the Employer for at least twelve (12) months and has worked 1,250 hours during the previous twelve (12) month period. Where the term "employee" is used in this Letter of Understanding, it means, "eligible employee". For purposes of FMLA leave eligibility "employed by the Employer" means "employed by the State of Michigan."
9. Twelve Work Weeks During a Twelve Month Period. An eligible employee is entitled under the Act to a combined total of twelve (12) work weeks of FMLA leave during a twelve (12) month period.
10. General Provisions.
 - a. Time off from work for a qualifying purpose under the Act ("FMLA leave") will count towards the employee's unpaid leave of absence guarantees as provided in the collective bargaining Agreement. Time off for family care leave will be as provided under the Act.

- b. Employees may request and shall be allowed to use accrued annual or personal leave to substitute for any unpaid FMLA leave.
 - c. The Employer may designate a Leave of Absence under Plan C of the Voluntary Work Schedule Adjustment Program (VWSAP) as an FMLA leave if the employee provides information to the Employer that the leave is for a qualifying purpose under the Act, prior to the end of the leave. A Plan A reduced work schedule under the VWSAP may be designated by the Employer as an FMLA leave, if the employee provides information to the Employer that the leave is for a qualifying purpose under the Act.
 - d. Employees may request to use accrued sick leave to substitute for unpaid FMLA leave for the employee's own serious health condition or serious health condition of the employee's spouse, child, or parent.
 - e. The Employer may temporarily reassign an employee to an alternative position in accordance with the collective bargaining Agreement when it is necessary to accommodate an intermittent leave or reduced work schedule in accordance with the Act. Upon completion of an FMLA leave, employees shall be returned to their original positions in accordance with the Act.
 - f. Second or third medical opinions, at the Employer's expense, may be required from health care providers where the leave is designated as counting against an employee's FMLA leave entitlement in accordance with the Act.
 - g. Return to work from an FMLA leave will be in accordance with the provisions of the Act and the collective bargaining Agreement.
11. Insurance Continuation. Health Plan benefits will continue in accordance with the Act. However, contractual Health Plan benefits are not intended to be diminished by this provision.
12. Medical Leave. Up to twelve (12) work weeks of paid or unpaid medical leave during a twelve (12) month period, granted pursuant to the collective bargaining Agreement, may count towards an eligible employee's FMLA leave entitlement.
13. Annual Leave. When an employee elects to use annual or personal leave, and it is determined, based on information provided to the Employer by that employee or that employee's spokesperson if the employee is unable to do so personally (in accordance with the Act), that the time is for a qualifying purpose under the Act, the Employer may designate the time as FMLA leave

and it will be counted against the employee's twelve (12) work week FMLA leave entitlement if the time is either:

- a. To substitute for an unpaid intermittent or reduced work schedule; or
- b. When the absence from work is intended to be for five (5) or more work days.

14. Sick Leave. An employee may elect or the Employer may require the employee to use sick leave to substitute for unpaid leave taken for a qualifying purpose under the Act. Contractual requirements that an employee exhaust sick leave before a personal medical leave commences shall continue.

In addition, an employee will be required to exhaust sick leave credits down to eighty (80) hours before a FMLA family care leave commences. If it is determined, based on information provided to the Employer by that employee or that employee's spokesperson if the employee is unable to do so personally (in accordance with the Act), that the time is for a qualifying purpose under the Act, the Employer may designate the time as FMLA leave and it will be counted against the employee's twelve (12) work week FMLA leave entitlement if the time is either:

- a. To substitute for an unpaid intermittent or reduced work schedule; or
- b. When the absence from work is intended to be for five or more work days.

Annual leave or personal leave used in lieu of sick leave may be likewise counted.

15. Parental Leave. Except as specifically provided herein, contractual parental leave guarantees are unaffected by implementation of FMLA. An employee's entitlement to parental leave will expire and must conclude within twelve (12) months after the birth, adoption, or foster care placement of a child. However, in accordance with the Act, an eligible employee is only entitled to up to a total of twelve (12) work weeks of leave for foster care placement of a child. Up to twelve (12) work weeks of leave will be counted towards the FMLA leave entitlement. An employee may elect to substitute annual or personal leave for any portion of the unpaid parental leave. Intermittent or reduced work schedules may only be taken with the Employer's approval.
16. Light Duty. In accordance with the Act, if an employee voluntarily accepts a light duty assignment in lieu of continuing on FMLA leave, the employee's right to restoration to the same or an equivalent position, is available until twelve (12) weeks have passed within the twelve (12) month period including all FMLA leave taken and the period of light duty.

LETTER OF UNDERSTANDING #9

State Worker 4

The parties agree that employees assigned to the State Worker 4 classification in the Labor and Trades and Safety and Regulatory Bargaining Units will be paid in the range NERE 098P of the Compensation Plan. Issues related to State Worker 4 Compensation in the Department of Natural Resources are a proper subject of discussion at Departmental Labor/Management Meetings.

Employees in the Bargaining Units classified as State Worker 4 will be paid within the range as determined by the departmental Employer. These rates are not to be considered as steps in a pay range, and State Worker 4's do not advance through a pay range based on hours of service. Any negotiated across the board pay increase will not be applied to these pay rates unless mutually agreed otherwise. State Worker 4's are temporary (non-career) employees and are not normally eligible for any benefits, as listed in Appendix C. Should any State Worker 4 exceed 1040 hours of work in a calendar year, the parties will meet to address the issue of employee benefits.

LETTER OF UNDERSTANDING #10

Cafeteria Benefits Plan

During 1992 negotiations between the State of Michigan and the MSEA, the parties agreed that a Cafeteria Benefits plan will be offered for all Bargaining Unit members beginning FY1993-94. The Cafeteria Benefits Plan will be offered to all Bargaining Unit members during the annual enrollment process conducted during the summer of 1993 and will be effective the first full pay period in October, 1993 or as soon thereafter as administratively possible.

The Cafeteria Benefits Plan will consist of the group insurance programs and options available to Bargaining Unit members during FY1992-93 with three exceptions: (1) Financial incentives will be paid to employees selecting HMO or a new Catastrophic Health Plan rather than Standard Health Plan coverage; (2) A financial incentive will be paid to employees selecting a new Preventive Dental coverage rather than the Standard State Dental Plan; and (3) Employees will have a new option available under life insurance coverage (one times salary or \$50,000 rather than two times salary). Premium splits in effect during FY1992-93 will continue during FY1993-94, FY1994-95 and FY1995-96.

The parties discussed the manner in which employees will make individual benefit selections under the Cafeteria Benefits Plan and Enrollment Form to communicate: The benefit credits given to each employee; any current individualized enrollment information on file with the Employer; and the benefit selections available including costs or price tags. Changes in benefit selections

made by employees may be made each year during the annual enrollment process or when there is a change in family status as defined by the IRS.

During FY94, financial incentives to be paid are: \$125 to employees selecting HMO coverage; \$1300 to employees selecting Catastrophic Health Plan coverage; and \$100 to employees selecting the Preventive Dental Plan. Incentives are paid each year and are the same regardless of an employee's category of coverage. For example, an employee enrolled in employee-only coverage electing the Catastrophic Health Plan for FY94 will receive \$1300 as will an employee enrolled in full-family coverage electing the Catastrophic Health Plan. Incentives to be paid will be determined in conjunction with the annual rate setting process administered by the Department of Civil Service and the State Personnel Director. The amount of the incentive to be paid to employees selecting the lower-level of life insurance coverage is based on an individual's annual salary and the rate per \$1000 of coverage, and therefore may differ from employee to employee.

Financial incentives paid under the Cafeteria Benefits Plan to employees electing HMO, Catastrophic Health or Preventive Dental Plan coverage will be paid biweekly. As discussed by the parties, incentives can be taken in "cash" on an after-tax basis or directed on a pre-tax basis into the Flexible Spending Accounts or Deferred Compensation Plans. Similarly, any additional amounts received as the result of selecting less expensive life insurance coverage will be paid biweekly.

The parties agree to meet as soon as possible following Civil Service Commission approval for the purpose of discussing disseminating information about the Cafeteria Benefits Plan.

LETTER OF UNDERSTANDING #11
Voluntary Work Schedule Adjustment Program
Michigan State Employees Association

Participation shall be on an individual and completely voluntary basis. An employee may volunteer to participate in the Program by submitting a completed standard Voluntary Work Schedule Adjustment agreement form to his or her supervisor, a facsimile of which is attached and incorporated as part of this Agreement. Employees continue to have the right, by not submitting a standard agreement form, to not participate in any of the Program's two Plans.

Discretion to approve or disapprove an employee's request to participate in Plan A and/or Plan C is reserved to the supervisor and Appointing Authority. In all other cases, once approved, the individual agreement may be terminated by the Appointing Authority or the employee upon giving ten (10) working days written notice to the other (or less, upon agreement of the employee and the Appointing Authority). Termination shall be at the end of the pay period. Termination of the Agreement by the Appointing Authority shall not be grievable.

Plan A. Bi-Weekly Scheduled Hours Reduction.

A.1. Eligibility.

The parties agree that provisions of the voluntary work Schedule Adjustment Program Plan A shall not exclude probationary employees with at least 720 hours of satisfactory service from eligibility.

The parties also agree to include a new provision within Plan A which allows for up to one-week (40 hours) leave, which may be utilized within a single pay period once during a fiscal year. Application, conditions for use and provisions for insurance, leave accruals and service credits shall be the same as currently exist under Plan A.

Participation in Plan A does not alter the conditions for use of annual leave. It shall be the employee's responsibility to monitor the balance in his/her annual leave counter. Approval of annual leave for employees at the annual leave cap is not required.

A.2. Definition.

With the approval of the supervisor and the Appointing Authority, an eligible employee may elect to reduce the number of hours for which the employee is scheduled to work by one (1) to sixteen (16) hours per pay period. The number of hours by which the work schedule is reduced shall remain constant for the duration of the Agreement. The employee may enroll for a minimum of one (1) pay period. The standard hours per pay period for the employee to receive the benefits of paragraphs A.3 and A.4 below shall be adjusted downward from eighty (80) by the number of hours by which the work schedule is reduced, but not to an amount less than sixty-four (64.0) hours. Time off on Plan A will be counted against an employee's twelve work week entitlement under the Federal Family and Medical Leave Act, if such time off is for a qualifying purpose under the Act and if all other requirements of the law and collective bargaining Agreement are met.

A.3. Insurances.

All State-sponsored group insurance programs, including long term disability, in which the employee is enrolled shall continue without change in coverages, benefits or premiums.

A.4. Leave Accruals and Service Credit.

Annual leave and sick leave accruals shall continue as if the employee had worked or was in approved paid leave status for eighty (80) hours per pay period for the duration of the Agreement. State service credit shall remain at eighty (80) hours per pay period for purposes of longevity compensation, pay step increases, employment preference, holiday pay, and hours until rating. Employees shall incur no break in service due to participating in Plan A.

Plan C. Leave of Absence.

C.1. Eligibility.

Full-time and part-time employees who have satisfactorily completed their probationary period in the State classified service shall be eligible to participate in Plan C. Permanent-intermittent employees are not eligible to participate.

C.2. Definition.

With the approval of the supervisor and the Appointing Authority, an employee may elect to take one (1) unpaid leave of absence during the fiscal year for a period of not less than one (1) pay period and not more than three (3) months. The three (3) month period is not intended to be cumulative. Time off on Plan C leave will count against an employee's twelve work week leave entitlement under the Federal Family and Medical Leave Act, if such time off is for a qualifying purpose under the Act and if all other requirements of the law and collective bargaining Agreement are met.

C.3. Insurances.

All State-sponsored group insurance programs with the exception of long term disability (LTD) insurance, in which the employee is enrolled shall be continued without change in coverage, benefits, or premiums for the duration of the leave of absence, by the employee pre-paying the employee's share of the premiums for the entire period of the leave of absence. LTD coverage will not continue during the leave of absence, but will be automatically reinstated immediately upon termination of the leave of absence. If an employee is enrolled in the LTD insurance program at the time the leave of absence is initiated and becomes eligible for disability benefits under LTD during the leave of absence, and is unable to report to work on the agreed-upon termination date for the leave of absence, the return-to-work date shall become the date established for the disability, with the commencement of sick leave and LTD benefits when the sick leave or waiting period is exhausted, whichever occurs later.

C.4. Leave Accruals.

Accumulated annual leave, personal leave, and sick leave balances will automatically be frozen for the duration of the leave of absence. The employee will not accrue leave credits during the leave of absence.

C.5. Service Credit.

An employee shall incur no break in service due to participating in Plan C. However, no State service credit will be granted for any purpose.

LETTER OF UNDERSTANDING #12
Human Resources Management Network (HRMN)

During negotiations in 2001 the parties reviewed changes in terminology that resulted from the implementation of the new payroll-personnel system, HRMN. The parties have elected to continue to use terminology that existed prior to the implementation of HRMN even though that same terminology is not utilized in HRMN. The parties agree that the HRMN terminology does not alter the meaning of the contract language unless specifically agreed otherwise.

An example of this are the terms “transfer, reassignment, and demotion” which are called “job change” in HRMN. The HRMN history record will show each of these transactions as a job change, however they will continue to have the same contractual meaning they had prior to the implementation of HRMN.

LETTER OF UNDERSTANDING #13
Pre-Tax Deduction for Parking

The parties have discussed the parking/transportation benefit authorized by the Internal Revenue Code, which allows employees to pay parking or transportation expenses out of pre-tax income under certain circumstances. Among the factors discussed was that taking advantage of the parking/transportation benefit reduces an employee’s taxable income, and therefore could slightly reduce the amount of the employee’s Social Security benefit.

The parties agree as follows:

1. For Bargaining Unit employees who pay for parking through payroll deduction, the Employer will implement the pre-tax payroll deduction benefit effective with the August 16, 2001 pay date. Prior to implementation, employees will be offered the opportunity to opt out of the benefit (i.e., to continue payroll deduction from after-tax income).
2. As soon as administratively feasible, Bargaining Unit employees who do not have payroll deduction for parking will be offered the opportunity to establish an account for the purpose of reimbursing out-of-pocket parking expenses. The employee determines the amount of pre-tax income to set aside, and then submits parking receipts for reimbursement from this account.
3. If permitted under the IRS Code, the Employer will offer the opportunity to establish pre-tax reimbursement accounts to Bargaining Unit employees who use van pools, buses, or other forms of mass transportation to commute to and from work. Additional research is required to determine whether this benefit can be offered.

LETTER OF UNDERSTANDING #14

Fire/Crash Rescue Officers

This Letter of Understanding sets forth certain conditions of employment for permanent full-time Fire/Crash Rescue Officers, in classification codes 4091402, 4091403 and 4091404, employed in the Michigan Department of Military and Veterans Affairs National Guard bases.

The parties recognize that because the employees covered by this Letter of Understanding permanently work a minimum of a 104-hour pay period, certain equitable changes should be made in the granting and/or accumulation of fringe benefits so as to neither advantage nor disadvantage these employees when compared to other Bargaining Unit employees who work the traditional 80 hours per pay period. Such changes are based upon a recognized standard of a minimum 104 hours per pay period. In recognition of this, the parties agree as follows:

1. LTD Premiums and Benefits – Based on their hours worked, employees included in this Letter of Understanding will receive proportional consideration for premiums and benefits as employees on an 80-hour standard.
2. Completed Pay Period – Under this Letter of Understanding a pay period shall be a completed pay period if, a) an employee works their regularly scheduled hours, or b) those regularly scheduled hours are covered by approved leave time.
3. Paid Sick Leave – Employees covered by this letter shall be credited with 7.0 hours of paid sick leave for every completed pay period. Paid service in excess of a completed pay period will not be counted toward sick leave accumulation.
4. Paid Annual Leave:

Initial Leave Grant – Upon hire, each permanent employee shall be credited with an initial annual leave grant of sixteen (16) hours, which shall be immediately available, upon approval of the Employer, for such purposes as voting, religious observance, and necessary personal business. The sixteen (16) hours initial grant of annual leave shall not be credited to an employee more than once in a calendar year.

Allowance –Subject to the applicable payoff cap below.

Annual Leave shall be earned for each completed pay period as scheduled according to the following:

ANNUAL LEAVE ACCUMULATION SCHEDULE		
<u>Years</u>	<u>Accrual</u>	<u>Accumulation/Payoff</u>
0-1	5.3 hours per pay period	396 344
1- 5 years	6.1 hours per pay period	396 344
5-10 years	6.9 hours per pay period	416 364
10-15 years	7.7 hours per pay period	435 383
15-20 years	8.5 hours per pay period	455 403
20-25 years	9.2 hours per pay period	461 409
25-30 years	10.0 hours per pay period	474 422
30-35 years	10.9 hours per pay period	474 422
35-40 years	11.7 hours per pay period	474 422
40-45 years	12.5 hours per pay period	474 422
45-50 years	13.3 hours per pay period	422
Etc.		

Paid service in excess of a completed pay period will not be counted toward annual leave accumulation. The cap on annual leave accumulation shall be 474 in accordance with the schedule above. No annual leave in excess of 240 hours shall be included in final average compensation for the purpose of calculating retirement benefits.

Personal Leave Grant – Permanent full-time non-Probationary employees shall receive two days of personal leave which shall equate to thirty-two (32) hours of personal leave to be used in accordance with normal requirements for annual leave usage.

5. Seniority Hours – Seniority shall be earned in accordance with the provisions of Article 11, Section A. of the primary Agreement. This provision shall be applied retroactively such that the seniority of Fire Crash Rescue Officers shall equate to their continuous service hours as recorded in the continuous service hours counter.

If the employee moves from a position that is based on a 104 hour standard to any other position that is based on an 80 hour standard, the Employer shall convert seniority hours of Service in accordance with the 80 hour standard prior to such move. Annual and sick leave accumulations will remain as earned, however, upon placement into the new position, the biweekly annual leave accrual will be based on the appropriate step in the annual leave accumulation schedule equivalent to years of service. Sick leave accrual will revert to the current 80 hour accumulation standard.

6. Continuous Service Hours – Employees will be credited with 80 continuous service hours for every completed pay period.

7. Probationary Service Ratings – Probationary service ratings shall be issued in accordance with current practice for 80 hour employees.
8. Hours to Step – For the purpose of crediting time toward scheduled step increases, a maximum of 80 hours will be credited to each employee each pay period in which a minimum of 80 hours of paid service is completed.
9. Overtime Compensation – Employees shall be compensated at the overtime rate for hours worked in excess of 212 in a 28 day cycle or hours worked outside, of the employee's regular schedule. The work period is defined as 28 consecutive calendar days.
10. Holiday Pay – Employees shall receive 5.2 hours of compensatory time or cash payment per pay period in lieu of holiday pay. In even years for election day, employees shall receive 5.6 hours of compensatory time or cash payment per pay period in lieu of holiday pay. Requests to receive cash payment shall be submitted in writing annually, no later than August 15th, and shall become effective the first full pay period in October.
11. Temporary Military Leave of Absence – Employees shall be paid the difference between the gross military pay received and their regular rate of gross pay up to the amount the employee would normally receive based on the work schedule for that pay period. To be eligible for such payment, employees shall provide to the Employer a copy of their military pay record for such period of time.
12. Shift Differential – Will not be paid to employees.
13. Longevity – Eligibility and payment shall be in accordance with the current standard and schedule for 80 hour employees in accordance with the primary Agreement.
14. Lost Time – Hours which are regularly scheduled but not worked in a pay period and not covered by authorized Leave shall be considered lost time.
For Seniority Hours.- Lost time will be reflected on an hour-for-hour basis.

For Continued Service: For each 1.3 hours (or fraction thereof) of lost time, 1 hour (or appropriate fraction thereof) of lost time will be deducted from the employee's 80 hour counter, longevity counter, hours to step, service rating hours, and annual leave probation hours for that pay period.
15. Retirement – In accordance with State Employees Retirement Act.
16. Reopener – This Letter of Understanding is subject to secondary negotiations.

LETTER OF UNDERSTANDING #15
between
Michigan State Employees Association
And
The Department of Natural Resources – Safety and Regulatory Unit
And Office of the State Employer

The parties agree that employees in Seasonal positions will be allowed to place their names on the appropriate transfer list to be considered for full-time permanent positions at their current worksite. The application of the transfer process will continue to adhere to Article 13 of the contract and its identified parameters.

LETTER OF UNDERSTANDING #16
Motor Carrier Compensation

The parties have discussed the impact of the eighteen month probationary period on the compensation of Motor Carrier Officers. It is the intent of the parties to maintain the same pay progression that existed prior to the implementation of the eighteen month probationary period. The parties therefore agree to have the end of one year step in schedule A02-009 be equal to the end of one year step in schedule A02-009 E10. The parties further agree that a Motor Carrier Officer 09 will receive no additional increase based on their reallocation to the Motor Carrier Officer E10 level after 18 months of satisfactory service. Thereafter, progression through the schedule will continue in accordance with current practice.

LETTER OF UNDERSTANDING #17
Motor Carrier and State Property Security Officer Recruit School

The nature of training of Motor Carrier Officer (RCRT) 9's and State Property Security Officer 7's at the Michigan State Police Academy mandates the scheduling of at least twenty-four (24) hours per week in overtime. It is therefore agreed that the compensation paid to a Motor Carrier Officer (RCRT) 9 and State Property Security Officer (RCRT) 7 while in recruit school shall include base wages plus compensation for overtime at the rate of time and one-half (1 ½) as provided in this Agreement. The overtime earned prior to the completion of recruit school shall not be less than twenty-four hours times the number of weeks of recruit school, or the Employer agrees to pay the difference between overtime worked and the aforementioned amount. In the event that a Motor Carrier Officer (RCRT) 9 or State Property Security Officer (RCRT) 7 leaves employment prior to completion of recruit school, the overtime payment shall equal twenty-four hours times the number of weeks actually in attendance at the recruit school. Only completed weeks shall be counted in its computation.

LETTER OF UNDERSTANDING #18
Banked Leave Time Program FY 2005

1. Eligibility.

Permanent and limited-term, full-time, part-time, seasonal, and intermittent, probationary and non-probationary employees shall be required to participate in the Banked Leave Time Program (Program) known as Part B hours under the State's Annual and Sick Leave Program. Non-career employees are not eligible to participate in the Program.

2. Definitions and Description of Program.

An eligible employee shall work a regular work schedule, but receive pay for a reduced number of hours. The employee's base pay shall be reduced by four (4) hours per pay period for full-time employees and by a pro-rata number of hours for less than full-time employees. The employee will be credited with a like number of Banked Leave Time (BLT) hours for each biweekly pay period.

3. Hours Eligible for Conversion to Program.

The number of BLT hours for which the employee receives credit shall be accumulated and reported periodically to participating employees. During the term of the Program, an employee shall not be able to accumulate in excess of 188 BLT hours. Accumulated BLT hours shall not be counted against the employee's regular annual leave cap, known as Part A hours under the Annual and Sick Leave Program. The employee shall be eligible to use the accumulated BLT hours in a subsequent pay period in the same manner as regular annual leave, pursuant to Article 39.

4. Timing of Conversion of Unused Program Hours.

Upon an employee's separation, death or retirement from State service, unused BLT hours shall be contributed by the State to the employee's account within the State of Michigan 401(k) plan, and if applicable to the State of Michigan 457 plan. Such contributions shall be treated as non-elective Employer contributions, and shall be calculated using the product of the following: (i) the number of BLT hours and, (ii) the employee's base hourly rate in effect at the time of the contribution. If the amount of a projected contribution would exceed the maximum amount allowable under Section 415 of the Internal Revenue Code (when combined with other projected contributions that count against such limit), the State shall first make a contribution to the employee's account within the State of Michigan 401(k) plan up to the maximum allowed, and then make the additional contribution to the employee's account within the State of Michigan 457 plan.

5. Insurances, Leave Accruals and Service Credits.

Retirement service credits, overtime compensation, longevity compensation, step increases, continuous service hours, holiday pay, annual and sick leave accruals will continue as if the employee had received pay for the BLT hours.

Premiums, coverage and benefit levels for insurance programs (including LTD) in which the employee is enrolled will not be changed as a result of participation in the Program. Employees shall incur no break in service due to participation in the Program. Subject to legislative approval, the Program is not intended to have an effect on the Final Average Compensation calculations under the State's Defined Benefit Plan nor the salary used for Employer contribution calculations under the State's Defined Contribution Plan.

6. **Relationship to Plan A and Plan C.**

Before incurring unpaid Plan A or Plan C hours all BLT hours must be exhausted.

7. **Term.**

The Program shall be effective beginning with the first full pay period in January 2005, and continuing through the end of the pay period beginning October 9, 2005. The pay reduction and accrual provisions of the Program shall be in effect through the pay period ending October 22, 2005. There shall be no further BLT for the remaining term of the contract.

**LETTER OF UNDERSTANDING #19
Firearm Storage**

In order to promote the safe handling and storage of firearms, the departmental Employer shall reimburse employees, required to carry a firearm in the course of their duties, for costs related to securing and storing a department issued firearm. This one time reimbursement shall be for actual costs and shall not exceed \$100.00.

**LETTER OF UNDERSTANDING #20
Article 8
Grievance Arbitration Tracking System**

The Employer agrees to develop access to an arbitration listing and indexing system which would permit the parties to review cases previously decided between the parties for their potential value in resolving existing disputes. The cost (if any) of developing such access will be shared equally between the parties. In the event that a new arbitration listing and indexing system is developed, the Employer and MSEA shall meet to discuss the union's access.

LETTER OF UNDERSTANDING #21
Article 22, Section F
Foot Protection

During the 2011 negotiations, the parties agreed that in the Department of Natural Resources, the subject of seasonal and protective foot wear shall be a proper subject of secondary negotiations.

LETTER OF UNDERSTANDING #22
Article 35, Section A – Clothing
Between the MSEA and
The Michigan Department of State Police

The Michigan State Employees Association (MSEA) and the Michigan Department of State Police (MSP) understand and agree to the following:

1. For the purpose of requiring uniform boots, the Department will reimburse on an annual/bi-annual basis for summer boots.
2. The Department will reimburse for summer boots up to a maximum of one hundred dollars (\$100) every year or up to two hundred dollars (\$200) every two years.
3. Employees will be required to purchase boots according to the most current Division specifications.
4. Beginning May 15, 2006, employees may provide a receipt in accordance with Division procedure to request reimbursement.
5. The Division will continue to provide all weather boots to Motor Carrier Officers.

LETTER OF UNDERSTANDING #23
Between
Michigan State Employees Association
And
State of Michigan, Office of the State Employer

Article 43 Section D

During negotiations in 2004, the parties agreed to implement the Disease Management Program known as Blue Health Connection and a PPO network for durable medical equipment and prosthetic and orthotic appliances effective October 1, 2005. Both of these programs will result in improved benefits for employees and

a cost savings to the State Health Plan. The parties therefore agree to request Civil Service Commission approval to implement these provisions effective April 10, 2005 or as soon as administratively feasible thereafter.

LETTER OF UNDERSTANDING #24

Optional Coverages Program

Upon Civil Service Commission approval an Optional Coverages Program (OCP) will be implemented for State of Michigan employees. Plans to be offered initially under the optional coverages program are expected to include voluntary group term life insurance, universal life insurance, critical illness insurance, and group home and auto insurance.

The parties agree the Employer may extend the OCP to employees in the Safety and Regulatory and Labor and Trades Bargaining Units. Employees who choose to voluntarily participate in the OCP may elect to enroll in one or more of the plans offered upon the terms and conditions set forth by the provider of the specific optional coverage plan(s). Employees who choose to not participate in the OCP will not have any optional coverages.

Premiums required for any OCP plan in which the employee enrolls are the sole responsibility of the employee. Payment may be made through payroll deduction or direct bill as permitted by the specific plan.

In the event any optional coverage plan is canceled or withdrawn, employees enrolled in the plan will be sent written notice at least 30 calendar days in advance of the coverage end date.

LETTER OF UNDERSTANDING #25

Motor Carrier, Capital Security and Conservation Officers

The MSEA and the Office of the State Employer and the applicable Department agree to meet following the effective date of this Agreement upon request of either party to discuss related to the recruitment and retention of officers in these classifications. The committee review will include but not be limited to, training practices as well as scheduling and compensation issues. Findings which involve mandatory subjects of bargaining may be shared during negotiations for the next Agreement.

LETTER OF UNDERSTANDING #26
Article 13

During the course of negotiations in 2011, the parties discussed current and possible future changes in the workforce and departmental operations which may result in the displacement of Bargaining Unit employees. The parties agree to meet within sixty (60) days of the effective date of this Agreement to explore options available for employees to pursue employment opportunities to avert displacement and/or attain state employment in the proximity of the original work location. Such options may include, but are not limited to, transferring or hiring qualified displaced employees for vacancies before others are hired. Any changes that would modify the Collective Bargaining Agreement would be implemented in a separate Letter of Understanding that would be submitted to the Civil Service Commission for approval.

LETTER OF UNDERSTANDING #27
Between MSEA and

State of Michigan, Office of the State Employer

Article 39
Annual Leave Donation

The parties agree that having a uniform process for donation and receipt of annual leave across State government would increase efficiency and understanding of the procedure.

Following approval of this Agreement, the parties agree to address this issue in the Labor/Management Health Care Committee forum(s) to attempt to remove inconsistencies in the processes and draft a uniform procedure.

Proper subjects to be addressed at this meeting include, but are not limited to:

Conditions under which leave can be received and
Conditions under which leave can be donated, and
The procedure for making such a request.

Any changes that would modify the Collective Bargaining Agreement would be implemented in a separate Letter of Understanding that would be submitted to the Civil Service Commission for approval.

LETTER OF UNDERSTANDING #28 HAND WRITING ANALYSIS

The parties agree that, in the event the Employer determines handwriting analysis is appropriate, it shall be performed by an individual who possesses the education, training, experience and/or certification necessary to be recognized by a court as an expert witness in the specialty area of handwriting analysis.

LETTER OF UNDERSTANDING #29 Joint Healthcare Committee

During the 2011 negotiations, the parties discussed the mutual goal of designing and implementing health care plans, including ancillary plans, that effectively manage costs and that work to keep members healthy. To that end, the Employer and the Unions will convene a Joint Healthcare Committee (the "Committee") whose charges will include, but not be limited to:

- a. Analysis of current plan performance identifying opportunities for improvement;
- b. Investigate potential savings opportunities from re-contracting pharmacy or other carrier contracts;
- c. Review the current specialty pharmacy program and identify best-in-class specialty programs to use as a benchmark;
- d. Analyze current HMO plans to determine if they are a cost-effective means of providing high quality health care;

- e. Investigate impact on outcomes and costs of Value Based Benefit Designs;
- f. Identify opportunities for cost-containment programs and carve out programs;
- g. Investigate opportunities to save costs by modifying or otherwise limiting medical, professional and pharmacy networks;
- h. Review current chronic care management programs to determine effectiveness as well as ongoing member compliance;
- i. Investigate work place health and wellness programs and make recommendations with the goal of educating and motivating employees toward improved health and wellbeing;
- j. Make recommendations to increase voluntary participation in health and wellness screenings and benefits included in current health plans;
- k. Identify educational opportunities relative to facility and professional provider quality data, as well as designated centers of excellence.

As mutually agreed by the parties, independent subject matter experts and consultants may be called upon to assist the Committee in carrying out their charges.

Within 30 days of the effective date of the Agreement, each union shall appoint a representative to serve on the Committee and the Employer shall designate up to four representatives. The Committee will be jointly chaired by a representative designated by OSE and a representative designated by the Unions.

Monthly meetings of the Committee shall be scheduled with the first being held no later than 45 days following the effective date of the Agreement.

LETTER OF UNDERSTANDING #30 NEOGOV

During the course of negotiations in 2011, the parties discussed the changes in technology related to the hiring process; specifically the NEOGOV system. The parties have agreed to explore the use of this technology for mutually beneficial opportunities in order to streamline the transfer request process. Any changes that would modify the Collective Bargaining Agreement would be implemented in a separate Letter of Understanding that would be submitted to the Civil Service Commission for approval.

LETTER OF UNDERSTANDING #31

New Solutions Committee

During the 2011 negotiations, the parties discussed the role of labor management cooperation and collaboration in providing more efficient delivery of services to the citizens of Michigan. The parties recognize that the efficient delivery of services to the public should be mindful of the cost effectiveness, quality of delivery, accountability and public interest. The discussion encompassed the Unions' New Solutions Report, which encourages all stakeholders to work together in an open dialogue manner to achieve best in class public service.

The parties agreed to approach the New Solutions Report jointly with the goal of facilitating the development of positive programs relative to the effective use of resources. Such effective use of resources may include self-directed work teams or other empowerment initiatives as agreed by the parties to provide front line workers with the support needed to effectively perform their jobs.

The parties recognize that Lean Optimization can be a valuable tool in achieving the effective use of resources. Lean Optimization has the simple goal of helping state government work better for both its customers and its employees. Lean practices rely on joint participation between employees and management at all levels within the State. World class service cannot occur without such employee involvement.

Within sixty (60) days of the effective date of the Collective Bargaining Agreement, a New Solutions Committee will be established to explore innovative solutions to deliver better customer service and pursue better value from those who deliver the services. Each of the Coalition Unions may designate two (2) representatives to meet with the Office of the State Employer. Representatives from the Departments and/or the Civil Service Commission may participate as needed. The Committee will determine the meeting schedule and agenda. The parties agree on the value of utilizing outside independent facilitators trained in business lean practices and will explore funding alternatives to engage mutually agreed upon lean consultants.

LETTER OF UNDERSTANDING #32

Student Assistant

Within thirty (30) calendar days of the effective date of this Agreement, the parties will meet to review the duties and responsibilities performed by non-exclusively represented employees classified as Student Assistant. The parties agree to recommend the assignment of those positions performing bargaining unit work to the bargaining unit.